

[By Bob Kinzel](#)

It's possible that Vermont consumers could be paying the state sales tax on Internet purchases in the not too distant future.

That's because Congressman Peter Welch is working to include this plan in a massive fiscal compromise bill that Congress is expected to consider in the coming weeks.

Bear Pond Books in Montpelier has rows of books stacked from the floor level to the top of its high ceiling.

Claire Benedict is the store's co-owner and she also serves as a Board member of Montpelier Alive - a group that promotes the downtown business district.

She says Bear Pond did very well on two recent promotion days. First, there was Flannel Friday where customers wearing flannel got a discount and the next day was the national Small Business Saturday where consumers were encouraged to shop locally.

Currently, Internet retailers only have to collect a state sales tax if they have a physical presence in a state. The Main Street Tax Fairness Act, cosponsored by Congressman Welch, would allow states to impose their sales tax on all Internet purchases. Benedict says it's a matter of tax fairness.

"The bottom line is that that money is not coming back to the state and smaller businesses like ourselves are required to pay those sales taxes," said Benedict. "So we're immediately put at a disadvantage for our overall overhead as compared to large on-line retailers."

It's estimated that Vermont could receive tens of millions of dollars in new revenue under this

plan. Benedict thinks that's why most governors are supporting this bill.

"So it's really in a state's best interest. That it's not a new tax to levy it's just collecting what they are owed and could be a great boon to states that are struggling with balancing their budgets."

In the new few weeks, Congress will be considering a massive bill to avoid plunging over the so called "Fiscal Cliff." Welch thinks this Internet tax plan could be part of the final compromise.

"I mean this is relevant to what it is that we're discussing in the budget issues and number two there's been a lot of groundwork that's been done in the part couple of years," said Welch. "And what I'm seeing is a number of conservative Republicans who were initially opposed to this now say this is not a new tax it's a fairness issue and we have downtowns too and this might be a sensible thing for us to do."

Welch says the bill is clearly needed because early studies show that on-line shopping sales are up more than 25 percent over the 2011 holiday season.